

Building America Meeting
April 10, 2001



ENERGY STAR for Homes

Progress Report

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ENERGY STAR for Homes Progress Report: What We Sell Builders

What we Sell Builders: Why Build Energy Efficient?



*Energy efficient homes deliver
a **better product** for
lower cost.*

Next Question:

*Are you Willing to **sell it?***

What we Sell Builders:

Why Sell with ENERGY STAR?



- *Added **Credibility***

Government-backed certification

- *Easy Product **Differentiation***

Not every builder's energy efficient any more!

- *Access to **National Platform***

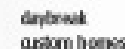
- *over 40 utility programs*
- *military housing*
- *low-income housing programs*
- *ENERGY STAR Mortgages*
- *potential tax credit*

Selling with ENERGY STAR: Before Sale: Advertising



LOW UTILITY COSTS ARE BUILT INTO EVERY ENERGY STAR® LABELED HOME.

With the government-backed ENERGY STAR label, you can be assured your new home is at least 30% more energy efficient than a standard home. Special features are built into every ENERGY STAR labeled home. Look for a combination of tight construction, more insulation, advanced windows, and high-efficiency heating and cooling equipment—and watch your utility costs fall. To buy a new home that helps you and the environment, contact a participating builder today at www.ENERGYSTAR.com



Emerald Homes, Hewlett Homes and David Powers Homes build 100% of their homes to ENERGY STAR specifications.

Selling with ENERGY STAR: Before Sale: Signage



Selling with ENERGY STAR: Before Sale: Signage



Selling with ENERGY STAR: During Sale: Handouts



Continental Welcome Home



All of these features save you both **ENERGY** and **MONEY**. They also contribute greatly to increased **COMFORT** in your new home.

FEATURES/benefits

12 SEER AIR CONDITIONER

Keeps you cooler, runs less, lasts longer and is more durable

R-30 ATTIC INSULATION

Keeps you cooler in summer, warmer in winter

DUCT SEALING

Maximizes the amount of conditioned air delivered to your rooms eliminating drafts and "hot" spots

TINTED DUAL PANE WINDOWS

Also reduce the sun's heat so you're more comfortable and your furnishings enjoy greater protection

SHADE SCREENS (available option)

Keep out more of the sun's heat rays so you're cooler in summer and your fabrics and furnishings fade less

PATIO COVER

(most neighborhoods)

Another sun barrier that helps keep you cooler while protecting your furnishings against fading

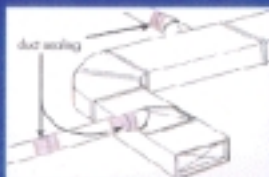
PROGRAMMABLE THERMOSTAT

(available option)

Automatically adjusts cooling & heating to suit your life-style, convenient and trouble free

1999-2000 National Award Winner
Environmental Protection Agency
Large Builder of the Year

Energy Features* found in our
ENERGY STAR® Homes



* Not every home necessarily has all of these features. However, the total energy performance of every ENERGY STAR home is at least 10% better than the average home.

Continental Welcome Home

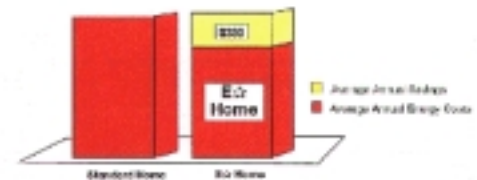
EPA's 1999-2000 National Large Builder of the Year

Talon Terrace at Canyon Trails

Our Energy Star (E+) homes save you money on energy bills!

Model	Square Footage	Annual Savings with E+
Azure	2,179	\$341
Brigata	2,286	\$414
Tuscany	2,471	\$413
Portola	1,990	\$213
Salerno	2,054	\$270

Average 2,160 sq. ft. **\$330**



D.R. Westchak, L.L.C.



NOTE: All energy costs are for reference only. They are estimates based on computer analysis of builder's home plans using standard assumptions and local climate data. They do not account for occupant behavior, lifestyle, or weather conditions. Neither Continental nor Southwest Gas Corporation make any claims as to actual energy costs for any individual home or occupant.

Selling with ENERGY STAR: During Sale: Displays



*What We Sell Builders:
Two Secrets to Greater Profitability:*



Secret #1:

Build Energy Efficient

Secret #2:

***Sell Energy Efficiency
with ENERGY STAR***



ENERGY STAR for Homes
Progress Report:
Are Builders Buying
What We're Selling?

ENERGY STAR for Homes

Leveraging ENERGY STAR "Brand"



- ***~100*** utility and state administrators serving 40% of households
- ***4,000+*** storefronts in 50 states
- ***1,200+*** manufacturers (30+ products)
- ***4,400+*** commercial building partners and ESPs (13% of market)
- ***27,000+*** homes with over 1,600 builder partners

ENERGY STAR for Homes 2000 Break-Through Year!



- *~10% Market Share in Major Mkts.*
 - *Corporate Commitments from Large National Builders*
 - *>40 Utility Programs*
 - *Army/Navy ENERGY STAR Spec.*
 - *Renewed Interest at Fannie-Mae*
- ~20% of labeled homes come from Building America!***

ENERGY STAR for Homes Growth Nationally



Year	No. Labeled Homes
1996	500
1997	1,500
1998	5,500
1999	8,000
2000	13,000
2001	27,000 (estimated)

ENERGY STAR for Homes Growth Regionally



Region	2000 Actual	2001 Goal
North-East	2,000	3,500
Mid-Atlantic	600	1,300
South-East	850	2,100
Mid-West	1,950	4,800
South-Central	1,100	3,800
South-West	4,400	7,700
North-West	1,200	2,100
TOTAL	13,000	27,000

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Keys to Regional Success



- *Presence of Strong Local Champion (usually utility or Building America)*
- *Strong Rating Infrastructure*

ENERGY STAR for Homes Regional Issues/Strategy



North-East:

Issue:

Great utility support and brand presence, but missing large builders

Strategy:

Nurture utility partners

ENERGY STAR for Homes Regional Issues/Strategy



Mid-Atlantic:

Issue:

No major utility or HERS presence

Strategy:

Keep nurturing hubs while looking for other solutions (i.e. man. programs, Building America, new utility interest)

ENERGY STAR for Homes Regional Issues/Strategy



South-East:

Issue:

Strong utility support, but poor brand presence and no strong center

Strategy:

Keep focus on promoting brand to utilities and developing a strong concentrated market success

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Regional Issues/Strategy



Mid-West/North-West:

Issue:

***Lack of strong utility support, but
strong rater infrastructure***

Strategy:

***Develop utility or local government
partners to complement raters***

ENERGY STAR for Homes Regional Issues/Strategy



South-Central/South-West:

Issue:

Great utility support and brand presence

Strategy:

Keep partners happy and facilitate "marketing as a system" solutions

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Other Issues/Opportunities



Policy Developments:

- *States with Rigorous Energy Codes*
- *New Sticker Certificate*
- *Multi-Family Housing*
- *Finalizing Builder Option Packages*
- *Formalizing Sampling Policy*
- *Integrate with New Tax Credit*

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Other Issues/Opportunities



Business Opportunities:

- *Marketing as a System*
- *Facilitated Sales Action Plans*
- *Fannie-Mae Partnership*
- *Manufactured Housing*
- *Modular Housing*
- *Military Housing*

ENERGY STAR for Homes Issues/Opportunities



Building America Opportunities:

- ***Fill Major Gap:
Metro D.C. Market***
- *Integration with New Policies/Tools*
- *Coordinating Evaluation*
- *Sharing Data/Lessons Learned*

ENERGY STAR for Homes Final Message



*Thanks Building America,
You're a Great Partner*